

Exhibit C

Internal Revenue Service

District  
Director

Department of the Treasury

<sup>CA076</sup>  
P.O. Box 1000, GPO Brooklyn, N.Y. 11202

Date: JAN 04 1969

Person to Contact:

Contact Telephone Number:

Refer Reply to:

CERTIFIED MAIL

Dear Applicant:

We have considered your application for recognition of exemption under section 501(c)(7) of the Internal Revenue Code.

The evidence presented disclosed that you were incorporated on [REDACTED] under the not-for-profit corporation law of the State of [REDACTED].

The purposes for which the corporation was formed are as follows:

- a) To establish, manage and promote a comprehensive program of activities designed to provide members with opportunities for social interaction, personal growth and cultural enrichment; to meet the needs of adults who are divorced, widowed, separated, or otherwise not married, hereinafter called "eligible persons".
- b) Through member volunteers to develop and maintain a community network of social, cultural, and recreational events, activities and services, for "eligible persons" throughout the year; and such support services as are necessary to coordinate activities, promote scheduled events and develop new programs for the network.
- c) To sponsor conferences and workshops and undertake studies, surveys and other inquiries into issues and problems of concern to, or which affect the lives and well being of "eligible persons" in their present or future roles as spouses, parents, consumers, homeowners, renters taxpayers and civic minded citizens.
- d) To publish and distribute a newsletter and other publications which will provide information about activities occurring within the Corporation's community network, and other social, cultural, recreational and educational events, services and resources for "eligible persons", which are taking place or otherwise available in the [REDACTED].

Your organization's activities are open to all members, upon payment of activity fees. The events include workshops and seminars, forums, ballroom and square dances, social gatherings, house parties, support groups, outdoor and indoor sports activities, summer picnics, potluck suppers, theater presentations and gourmet dining. Every month, each member receives two newsletters. The first, [REDACTED] Newsletter contains a calendar and a schedule of events announcing daily activities. The second newsletter called the "[REDACTED]" serves as a community bulletin board and consists of five line advertisements placed by members for personal contacts, services, merchandise, employment and announcements. Slightly larger, more graphic commercial ads may be placed by members and/or workshop leaders to publicize their services to other members.

Section 501(c)(7) of the Code provides exemption to clubs organized for pleasure, recreation, and other nonprofitable purposes, substantially all of the activities of which are for such purposes and no part of the net earnings of which inures to the benefit of any private shareholder. In general, this exemption extends to social and recreation clubs which are supported solely by membership fees, dues, and assessments. However, a club otherwise entitled to exemption will not be disqualified because it raises revenue from members through the use of club facilities or in connection with club activities.

Revenue Ruling 66-149, 1966-1 C.B. 146 holds that a social club is not exempt from Federal income tax as an organization described in section 501(c)(7) of the Code where it regularly derives a substantial part of its income from nonmember sources such as, for example, dividends and interest on investments which it owns. However, a club's right to exemption under section 501(c)(7) of the Code is not affected by the fact that for a relatively short period a substantial part of its income is derived from investment of the proceeds of the sale of its former clubhouse pending the acquisition of a new home for the club.

Revenue Procedure 71-17, 1971-1 C.B. 683, describes the record-keeping requirements for social clubs exempt under 501(c)(7) with respect to non member use of their facilities; it sets forth guidelines for determining the effect of gross receipts derived from public use of the club's facilities on exemption and liability for unrelated business income tax.

Revenue Ruling 60-324, 1960-2 C.B. 173 states that a social club exempt from Federal income tax under IRC 501(c)(7) may lose its exempt status if it makes club facilities, available to the general public on a regular, recurring basis since it may no longer be considered to be organized and operated exclusively for its exempt purpose.

Revenue Ruling 65-63, 1965-1 C.B. 240 states that a non-profit organization that, in conducting sports car events for the pleasure and recreation of its members, permits the general public to attend such events for a fee on a recurring basis and solicits patronage by advertising, does not qualify for exemption as a club organized and operated exclusively for pleasure, recreation and other non-profitable purposes under section 501(c)(7) of the Internal Revenue Code of 1954.

Like the organization in Rev. Rul. 60-324 & Rev. Rul. 65-63 your organization permits the general public to attend events for a fee on a recurring basis and solicits patronage by advertising. In your newspaper advertisements you state "All area adult singles are welcome at all [redacted] activities".

Like the organization in Revenue Procedure 71-17 you are required to distinguish in your records of all activities between members and nonmembers. You have not made this distinction in your financial records: you state in your Articles of Incorporation and in your application Form 1023 that activities are just for members, but in reviewing all your literature submitted it shows that indeed non-members are welcomed and are openly recruited by ads in local newspapers and publications.

Revenue Ruling 58-588, 1958-2 C.B. states that an organization formed by several individuals to operate a health and recreational club, but whose predominant activity is the selling of services for profit who have no voice in management of the club and whose only rights are to use the club's facilities upon the payment of specified fees, is not a social club entitled to exemption from Federal income tax.

Like the organization in Revenue Ruling 58-588 your organization has two types of members, corporate members and network members. There are [redacted] corporate members that make all the decisions on how the club is operated. While there are approximately [redacted] network members that do not make any decision on how the club is operated.

Revenue Ruling 69-527, 1969-2 C.B. 125 states that a social club formed to assist its members in their business endeavors through study and discussion of problems and other activities at weekly luncheon meetings does not qualify for exemption under 501(c)(7).

Like the organization in Revenue Ruling 69 527 your organization solicits ads from members to publicize their services to other members.

Accordingly, we conclude that you do not meet the requirements for exempt status under section 501(c)(7) of the Code and propose to deny your request for exemption under that section.

We have also determined that you fail to qualify for exempt status under any other subsection of IRC 501(c).

You are required to file a taxable return Form 1120 or 1041 with the District Director of Internal Revenue Service. Please send the return to the Internal Revenue Service, P.O. Box 1680, General Post Office, Brooklyn, NY 11202.

If you do not agree with this determination, you may request a Conference with the Regional Director of Appeals by protesting in accordance with the enclosed instructions within 30 days.

Protests submitted which do not contain all the documentation stated in the instructions will be returned for completion.

If we do not hear from you within that time, this determination will become final.

Sincerely yours,

/S/ [REDACTED]

District Director

cc: [REDACTED]

Enclosure: Publication 892